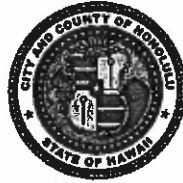


OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY
CITY AND COUNTY OF HONOLULU

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EXECUTIVE DIRECTOR &
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February 27, 2020

The Honorable Ron Menor, Chair
and Members
Committee on Zoning, Planning and Housing
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Menor and Councilmembers:

SUBJECT: Bill 25 (2019) – Relating to the Adoption of the State Energy Conservation Code

The Office of Climate Change, Sustainability and Resiliency (CCSR) strongly urges passage of Bill 25 (2019), which adopts the State Energy Code, 2015 International Energy Conservation Code (IECC) with added local amendments for electric vehicle (EV) and photo-voltaic (PV) "readiness." Specifically, CCSR highly recommends passage of the updated CD2 introduced by Councilmember Elefante.

The CD2 introduced by Councilmember Elefante is grounded in significant research as well as broad stakeholder engagement to both find compromise and increased flexibility, while also preserving critical long-term cost of living and climate resilience benefits to the public. While the original Bill 25 itself was based on extensive consultation with diverse stakeholders, since the hearings of Bill 25 in January 2020 and September 2019, CCSR has engaged in more than a dozen additional meetings and consultations with a wide array of stakeholders—with often divergent views—to help inform suggested revisions incorporated in this CD2 from Councilmember Elefante.

This CD2 offers important updates to the original Bill 25 which CCSR strongly recommends. Specifically, it adds clarification around solar-ready requirements for multi-family housing, adds definition to "common area" versus "dedicated" stalls for the purposes of using the EV-ready alternative compliance points system, and most importantly adds additional flexibility for affordable housing built and provided for residents at 80% Area Median Income (AMI) and below.

MAYOR'S MESSAGE 30

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These latter EV-ready amendments, proposed through dialogue with developers of affordable housing for the island's most vulnerable residents, aim to advance EV-readiness while balancing the unique challenges faced in the development pipeline of housing at 80 AMI or below. Specifically, Councilmember Elefante's CD2 amendments lower EV-ready requirements to 10% of total parking stalls for housing provided for residents at 80% AMI and below, as well as offering a four year deferment for compliance.

Overall, since Bill 25 was introduced, there has been significant compromise to provide additional flexibility and balance concerns by private industry, including but not limited to:

1. Adding an alternative point system pathway to provide flexibility for individual building sites and projects to comply with EV-readiness;
2. Allowing developers to aggregate EV-readiness across multiple projects;
3. Reducing EV-readiness requirements for retail settings by 20%;
4. Reducing EV-readiness requirements by 20% for homes built for residents 80 to 140% AMI;
5. Reducing EV-readiness requirements by 60% for new homes for residents below 80% AMI;
6. Allowing developers building to 80% AMI and below a four year delay to incorporate EV-readiness requirements;
7. Amending language in the renewable hot water heating section to simply reference existing state law instead of requiring a 90% renewable threshold;
8. Adding exemptions for jalousie windows and concrete masonry units that comport with local market conditions and preferences, and save money on construction costs;
9. Relaxing sampling requirements, which lowers construction costs at the request of building industry developers;
10. Accepting a ceiling fan junction box in some living spaces in lieu of an installed fan in production home building; and
11. Adjusting insulation and reflectance requirements for commercial re-roofing projects to lower costs for the roofing industry.

There have also been efforts to accommodate new information and technology and allow expanded access for island residents to PV and EV, including:

1. Adding in rooftop solar-ready provisions for residential buildings; and
2. Increasing the baseline charging level across all settings from Level 1 to 2.

Given the extent of changes made to date, CCSR does not support additional relaxation of the proposed bill as outlined in the CD2 introduced by Councilmember

Kobayashi. CCSR testimony from the January 2020 ZPH Committee hearing details the remaining distinctions between the two CD2s before the committee. As compared with the CD2 from Councilmember Elefante, the CD2 introduced by Councilmember Kobayashi would:¹

- Significantly weaken the EV-readiness requirements in the points system, in some cases by five-fold, rendering Bill 25 almost meaningless in expanding access to EVs in several scenarios;
- Add complexity and Department of Planning and Permitting workload to EV-readiness sections by allowing for a second “total number of vehicles charged” alternative compliance pathway, further complicating compliance and enforcement;
- Limit the PV-readiness component to just documentation rather than capturing the savings of installing conduit at the least-cost time of new construction;
- Prevent homeowners from using jalousie windows and concrete masonry units.

Since the last ZPH Committee hearing, CCSR has also responded to the Committee’s requests to clarify the costs associated with implementation of Bill 25. CCSR submitted two memos in February, one outlining the estimated costs of implementing the bill,² and another responding to costs suggested by private industry.³ Based on a thorough review and research of available third-party literature and consultation with independent local and national experts in the building design and EV industry, CCSR finds a range of compliance costs as low as \$200 and as high as \$3,200 in some instances. We note the significant difference with the \$1,900 to \$9,402 (and in some cases more) estimate range offered by a select set of industry stakeholders.

Finally, after nearly nine months of continued discussions and compromise since the Bill’s introduction in May 2019, there has been robust community input demonstrating that O’ahu residents overwhelmingly support efforts to update energy codes. For instance, approximately 250 individuals or organizations testified in writing or in-person at the January ZPH Committee hearing with more than 90% in support. Additionally, in a public opinion poll of voters island-wide, more than eight in ten residents support requiring that new homes are more energy efficient, use solar hot

¹ See CCSR testimony on the proposed Bill 25 (2019), CD2 here:
[http://www4.honolulu.gov/docushare/dsweb/Get/Document-250120/MM-015\(20\).pdf](http://www4.honolulu.gov/docushare/dsweb/Get/Document-250120/MM-015(20).pdf)

² See CCSR memo dated February 12, 2020 available here:
[http://www4.honolulu.gov/docushare/dsweb/Get/Document-256823/MM-025\(20\).PDF](http://www4.honolulu.gov/docushare/dsweb/Get/Document-256823/MM-025(20).PDF)

³ See CCSR memo dated February 18, 2020 available here:
[http://www4.honolulu.gov/docushare/dsweb/Get/Document-256859/MM-026\(20\).pdf](http://www4.honolulu.gov/docushare/dsweb/Get/Document-256859/MM-026(20).pdf)

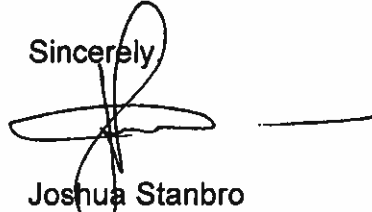
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water heaters and are able to charge electric vehicles.⁴ More than seven in ten still support updating energy codes even if it means adding upfront costs to home builders while lowering utility bills for homeowners in the long run.

Just last week, news reports highlighted that 2019 was Honolulu's hottest year on record, and the second hottest on record globally.⁵ Past building practices will not be enough to protect our residents from dangerous climate impacts or preserve long-term affordability for residents. Strong updates to our energy codes are exactly what we need to do to ensure that more O'ahu residents have access to cost-saving efficient homes, electric vehicles and solar energy that help to fight climate change while simultaneously improving long-term affordability for residents.

Thank you for the opportunity to provide this testimony in support of Bill 25 (2019) CD2 proposed by Councilmember Elefante. Should you have any questions, please contact me at 768-2277 or resilientoahu@honolulu.gov.

Sincerely,



Joshua Stanbro
Executive Director and
Chief Resilience Officer

APPROVED:



Roy K. Amemiya Jr.
Managing Director

⁴ See Civil Beat. Poll: O'ahu Voters Want Action on Climate Change. November 25, 2019.

⁵ See Hawai'i News Now. It's Official: 2019 was Honolulu's Hottest Year on Record. February 19, 2020.